

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

FRIDAY, THE ELEVENTH DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE K.C. BHANU

-

WRIT PETITION NO : 24419 of 2004

Between:

R.Dhasrath Goud S/o.Ankaiah Goud
Aged about 45 years,

R/o Plot No.10 Club Layout,

Prasanthi Nagar, Nellore Dist.

..... PETITIONER

AND

1. The A.P.State Financial Corporation

rep by its Chief General Manager,

2. The Branch Manager, A.P.State Financial Corporation

B-12A Industrial Estate,

A.K.Nagar, Nellore Dist.

.....RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed herein the High Court may be pleased to issue a Writ of Mandamus or any other appropriate writ or direction declaring the action of the respondents in taking action under section 29 of the State Financial Corporation Act to sell the building bearing No.24-1-1915, Plot No.10 Club Layout, prasanthi Nagar, Nellore as illegal and arbitrary and consequently direct the

respondents to charge the interest at the rate of 12% on the amount settled under one time settlement and grant reasonable instalments to pay the balance amount payable under one time settlement scheme.

Counsel for the Petitioner: MR.P.GANGA RAMI REDDY

Counsel for Respondents 1 and 2:MR.Y.N.LOHITA

The Court, at the stage of admission, made the following:

ORDER:

This writ petition is filed seeking mandamus declaring the action of the respondents in taking action under section 29 of the State Financial Corporation Act (for short the 'Act') to sell the building bearing No.24-1-1915, Plot No.10 Club Layout, prasanthi Nagar, Nellore, as illegal and arbitrary and consequently direct the respondents to charge interest

@ 12% on the amount settled under one time settlement and grant reasonable instalments to pay the balance amount payable under one time settlement scheme.

Admittedly, the petitioner committed default in paying the instalments regularly. Some of his properties were sold and adjusted towards one time settlement scheme. Besides that, the writ petitioner paid certain amounts. The respondents are liberty to take any action under 29 of the Act to sell the building that was given as collateral security towards loan amount obtained by the petitioner.

In the affidavit it is nowhere stated how the action of the respondent is contrary to Section 29 of the Act. When the borrower commits default, they have right to sell the properties in terms of Section 29. It is also not stated how the interest charged at 18% is usurious or excessive. Therefore, the last prayer of the petitioner to grant instalments under one time settlement scheme would go to show that on payment of certain lump sum amount, the debt due to the respondent-Corporation was deemed to have been discharged waiving all the other aspects. So, even he cannot ask for the amount settled under the one time settlement scheme by paying the amount in instalments.

The writ petition is devoid of merits and is accordingly dismissed. There shall be no order as to costs.

11-03-2005.

Lrkm.

1. The A.P.State Financial Corporation

rep by its Chief General Manager,

2. The Branch Manager, A.P.State Financial Corporation

B-12A Industrial Estate,

A.K.Nagar, Nellore Dist.

3. 2 CD copies.

Form-NIC-OGS/WP{MVK}